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Chair

The Honourable Judy A. Sgro

Standing Committee on Transport, Infrastructure and Communities

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● (1530)

[*English*]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I'm calling to order meeting number 101 of the Standing Committee on Transport, Infrastructure and Communities of the 42nd Parliament. Pursuant to Standing Order 108(2), we are continuing our study providing an update on infrastructure projects and the investing in Canada plan.

Welcome, Minister Sohi. We're very glad that you are able to join us today, along with your officials.

I turn the floor over to you, Minister Sohi.

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities): Thank you, everyone, and good afternoon. Thank you for inviting me once again to talk about our long-term infrastructure plan. It's nice to be back. I'm joined by my staff members, who will assist us in the presentation and in answering the committee's questions.

I know that you have been hearing from many different organizations and people including the Parliamentary Budget Officer in doing your study. I want to thank you for conducting this study, because it's going to help us understand the importance of infrastructure.

I'd like to address some of the concerns that have been raised during those presentations.

During the Parliamentary Budget Officer's appearance, the committee asked about the risk and history of lapsed funding. Let me assure all of you that infrastructure funding does not lapse. Money that goes unspent in a given year is re-profiled to future years to ensure that it remains available for the projects and the programs to which it's allocated.

Our partner organizations know and understand this, and you have heard from some of them. The FCM, FQM, and the Association of Municipalities of Ontario all noted that they are not concerned about how federal funding flows to projects. They did, however, note the quickness with which bilateral agreements are being signed, considering the complexity. They know that as soon as decisions are made, projects can start immediately.

When we were developing our investing in Canada infrastructure plan, we worked in very close collaboration with those organizations, as well as with our provincial, territorial, municipal, and indigenous partners. From these consultations came our plan, designed to help grow the economy, build inclusive communities, and support a low-carbon green economy.

Our plan is being rolled out in two phases and delivered by 14 federal departments. The first phase involves 34 programs and is $14.4 billion. All of these programs are now launched, and more than 28,000 projects have been approved, for a federal investment of more than $11 billion.

Let me give you a few examples of what this means for our communities.

Aboriginal head start is an important program that focuses on childhood development for first nations, Inuit, and Métis children and their families living off reserve. Under the first phase of our plan, 100 sites across Canada have completed projects that enhance accessibility, health, and safety, provide outdoor learning opportunities, and address special needs. More than 4,000 children and their families are benefiting from these investments, gaining knowledge of their indigenous culture and language in spaces that are healthier and have access to up-to-date learning tools.

In New Brunswick, federal investments through Natural Resources Canada have helped to create the province's first electric vehicle charging network. Electric vehicle owners are now able to drive worry-free while helping to reduce our carbon footprint.

In Vancouver, more than 40% of the SkyTrain's stations have now been outfitted with radio frequency identification technology, allowing customers who are physically impaired to pass through the fare gates unassisted.

In Edmonton, my home city, recent upgrades to Balwin Place provide 25 much-needed new affordable housing spaces to support our most vulnerable citizens. These spaces represent a safe haven and stability for families, providing them with the opportunity to be a student and learn, to be a neighbour, to find work, and to connect with the community.

While supporting these early projects, we're working closely with our partners to develop a long-term plan to support large-scale projects that require longer timelines to plan and design. My department is now working closely with our partners to sign the bilateral agreements that will flow $33 billion over the life of this plan.

Employment and Social Development Canada has signed almost all of its bilateral agreements with provinces and territories under the $7 billion early learning and child care program.

I'm also proud to say that today Minister Duclos signed the first ever housing strategy, long-term housing agreement with the Province of Ontario. Transport Canada has launched its $2-billion national trade corridors fund and is reviewing more than 100 project applications from across Canada.

As you have heard from the mayor of Edmonton and chair of the Big City Mayors' Caucus, Don Iveson, we listened to municipalities. We value local government as partners, and they know that. By investing in improved transit services, we are giving families more time together. By investing in upgraded water treatment facilities, we are giving parents peace of mind that the water their children drink is safe. By investing in affordable housing, we are giving women and children fleeing domestic violence a safe place to live.

We're eager to build on our successes, and continue to invest in the infrastructure projects that will make real differences in the lives of Canadians from coast to coast to coast.

Thank you so much for having me.

The Chair: Thank you very much, Minister Sohi.

On to our committee questions, and Mr. Chong.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Thank you, Minister, for appearing before us today. I have just a couple of questions for you.

Will you admit that your government's plan for infrastructure hasn't met its targets in terms of job creation and GDP growth?

● (1535)

Hon. Amarjeet Sohi: When we look at the economic growth that our country has experienced over the last two and a half years, the highest economic growth in the last 40 years, more than 600,000 jobs that have been created by lowering taxes for the middle class, by investing in families with children to give them more resources to help pay for the high cost of raising kids, and the $11 billion that has been invested or approved for communities across the country to build better public transportation systems, affordable housing, or early learning, and waste-water infrastructure, we are very confident that our plan is working. It is making a difference for Canadians. It is helping grow our economy. It is helping build better sustainable communities, and we are proud of the investment we are making.

Hon. Michael Chong: Well, Minister, the government's budget of a couple of years ago projected 0.6% GDP growth because of its infrastructure investments, which is roughly $12 billion a year, but the PBO says that we can only expect about 0.2%, one-fifth of one per cent of GDP growth, which is only $4 billion a year, as a result of these infrastructure investments. Therefore, we've lost half a per cent of projected GDP growth because of the government's inaction on infrastructure.

In terms of jobs, the PBO reports that only about 11,000 in the last year can be attributed to the government's infrastructure plans. There again, that is far less than what was projected in the government's own documents several years ago.

I'd also say that the much-touted figure that Canada has the best GDP growth in the G7 is somewhat misleading, because we don't have very good per capita GDP growth. At the end of the day, if you've got high rates of population growth, that masks per capita GDP growth. It you look at our per capita numbers, it's roughly half of one per cent over the next three years, on the government's own GDP projections. It's actually quite abysmal GDP growth, and that's the reason why Canadians are racking up so much household debt, just to afford the cost of living.

I want to ask you another question. Will you admit that at a minimum, the government hasn't been forthcoming with information on infrastructure? The PBO has reported that it was difficult to get information from government departments and agencies. It reported in March that only some 10,000 projects were identified in phase one of the government's plan, and then on April 19, you came forward with more information that some 20,000 projects had been identified. Every several months, there seems to be new information that's different or that changes the story.

Our worry, as members of Parliament, is that the government doesn't have a handle on its $188-billion, 12-year plan. It's one of the largest initiatives of the Government of Canada, and we don't have a great deal of confidence that the various departments and agencies of the government have a good handle on the overall plan, where the money's going to be spent, and how we're going to ensure the maximum return for Canadians' tax dollars.

Hon. Amarjeet Sohi: first of all, thank you so much for acknowledging that this is a significant amount of investment that we are making in Canadian communities, $180 billion, doubling what has been invested in the past. We update information on a regular basis based on the information we receive from our partners.

As you can appreciate, the projects we fund are municipal and provincial, and they are the ones that procure and build those projects. We rely on the partnership and rely on regularly updated information, and whenever we have the information we update that on our website. You can please visit the website as well.

Hon. Michael Chong: I appreciate that, Minister, but something you said in your opening remarks just corroborates what I've been saying. With respect, you said in your opening remarks that infrastructure funds do not lapse, but during the election you and your party said that they do lapse. In fact, on page 14 of your party's platform during the last election you acknowledge that infrastructure funds do lapse.

You were quite critical of the previous government's allowance of that measure and you promised you would make sure that no money intended for infrastructure in communities is allowed to lapse, and that you would automatically top up the gas tax transfer at the end of every fiscal year to ensure that no money is allowed to lapse.

I hope you can understand our confusion as parliamentarians when we hear one thing one day and another thing another day. It makes it very difficult for us to hold the government accountable for what is a huge spending priority of the government.

● (1540)

Hon. Amarjeet Sohi: The only time infrastructure funding lapses is when it is not tied to a project or a program. We had a situation where we did transfer $30 million to gas tax funding because that $30 million was not tied to any specific project or any program.

I am very proud of the partnership that we have been able to establish with our municipalities, provinces, the non-profit sector, and indigenous communities. They are very pleased with the approach we have taken, and we have heard from them directly. Some of them have made presentations to you.

We are here to work on behalf of Canadians. We are here to deliver infrastructure to make life better for Canadians, and that's exactly what we are doing. The examples I've cited illustrate how a better waste-water system is giving communities clean water, or improving the accessibility of infrastructure.

[*Translation*]

The Chair: Mr. Iacono, you may go ahead.

Mr. Angelo Iacono (Alfred-Pellan, Lib.): Thank you, Madam Chair.

Minister, if you'd like to finish what you're saying in response to the opposition member's question, I'd be happy to give you some of my time.

[*English*]

Hon. Amarjeet Sohi: If you will allow me, I would like to convey my deepest condolences to you on the passing of your brother. It's a very difficult time, and please know that we all stand with you and your family.

The reason we focused so much on infrastructure along with other initiatives is to make sure that our economy thrives by having a long-term plan in place that unlocks not only people's potential but economic potential to help create jobs, 600,000 new jobs. Those jobs are real for people. A laid-off worker who goes to work is able to feed the family. One job means a lot for that particular family, so 600,000 families have been impacted positively by those jobs, and by having a better public transportation system that allows you to spend more time with the family instead of being stuck in traffic. Also, recreational and cultural facilities allow communities to have healthy lifestyles for people living in those communities.

Those are meaningful investments that touch on peoples' lives, and we are very proud that we are making these investments.

[*Translation*]

Mr. Angelo Iacono: Thank you, Minister.

Budget 2017 sets out $33 billion further to bilateral agreements between Infrastructure Canada and the provinces and territories.

Can you tell us how many agreements have been signed so far, as well as where things stand for those still being negotiated?

[*English*]

Hon. Amarjeet Sohi: One of the reasons I ran for federal office was to advocate for sustainable, long-term, predictable funding for municipalities. I come from a municipal background. For the last decade or so, municipalities have been asking for long-term, sustainable, predictable funding. We are very proud to deliver that. We are in the middle of negotiating bilateral agreements, 10-year plans. We have signed agreements with seven provinces and territories, and a number of other provinces will be signing agreements very shortly. Negotiations are progressing with the rest of the provinces.

This is transformative. This gives certainty and predictability. It allows municipalities to know how much money they will get for the next decade so they can build their public transportation systems or the recreational culture infrastructure they need. Our partners have asked for this, and we are delivering.

● (1545)

[*Translation*]

Mr. Angelo Iacono: Thank you.

To date, more than 28,000 projects have received approval, more than 2,100 of which are in Quebec. In my riding of Alfred-Pellan, more than 70 projects have been given the green light.

Can you tell us how projects are selected and approved?

[*English*]

Hon. Amarjeet Sohi: We take pride in the partnerships we have been able to establish with the provinces and municipalities. As the federal government, we do not select projects. It is up to the local governments to determine their priorities. We respect municipalities' ability to select projects. All the 28,000 projects that I have talked about have been selected and prioritized by local governments in partnership with the provincial and territorial governments. We respect that because we understand that local communities know better, instead of Ottawa dictating what local communities need. We rely on local communities to tell us how Ottawa can be a partner in delivering on the aspirations of local citizens.

[*Translation*]

Mr. Angelo Iacono: Do certain kinds of projects take longer to approve? If so, why?

[*English*]

Hon. Amarjeet Sohi: The project approval depends on the complexity of the project. We have approved our process. We have streamlined the information we require. We share more information with our partners to let them know how to apply and what information is required. We are working with FCM and other provincial associations to share more information. We don't hold up projects at our end, we just make sure that projects are helping to meet the objectives of growing the economy and other objectives we have, such as building inclusive, accessible communities, or moving to our low-carbon economy. Those are the criteria we apply, and our process is very streamlined. We haven't had any concerns communicated by our partners about the delays in the approval process.

[*Translation*]

Mr. Angelo Iacono: Thank you, Minister.

[*English*]

The Chair: Ms. Sansoucy, you're next.

[*Translation*]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Thank you, Madam Chair.

Thank you very much, Minister, for being here.

Further to the parliamentary budget officer's economic and fiscal analysis, I felt the need to put forward a motion, which is what led the committee to do this study. I'd like to thank the committee members for supporting that motion.

As the new critic for infrastructure and communities, I need to gain a better understanding of certain things, as we all do, for that matter. Your infrastructure promises have given municipalities, provinces, and territories great expectations.

Today's study is important because it will help set the record straight as far as meeting those expectations goes. Before becoming an MP, I was a city councillor. Municipalities have a very clear understanding of their infrastructure requirements. They know exactly what new infrastructure they need. They have plans for upgrading existing infrastructure. The same goes for provinces and territories. Quebec has long had five-year infrastructure plans, and municipalities are always eager to find out what those plans are.

All that to say this is an important study.

I'm going to pick up on my fellow member's question about the bilateral agreements. You answered it in part, but I'd like to know whether you have set a deadline for signing all of the agreements.

Construction season is around the corner, but, as you said in your presentation, projects cannot get under way until the agreements have been signed.

What impact will those delays have? What steps are you going to take to minimize the repercussions on cities and municipalities?

[*English*]

Hon. Amarjeet Sohi: First of all, I want to again thank you for the motion as well as the committee's willingness to do this study. We're looking forward to the recommendations. We want to be open, we want to be transparent, and we want to work with other colleagues to improve where improvements need to be made.

On the bilateral agreements, I want to assure everyone that whenever we get an application for an assessment of a project, we don't hold that project back because we don't have a signed bilateral agreement. To be very clear, we have actually approved projects prior to signing a bilateral agreement, based on the needs of our provincial and municipal partners. Rest assured: no project will be held back as long as our partners are ready to advance those projects.

We had an aspirational date of March 31 for us to be ready to sign bilateral agreements, and we are ready. We have been ready for the last number of months. The issue is just one of timing. As you can appreciate, a number of provinces have gone through their budget processes, and one province in particular has gone through a leadership change. We want to give them time so that they're ready to sign those bilateral agreements. From a federal perspective, we're ready whenever they're ready, but we respect their timeline and we want to make sure that they are ready to sign as well.

● (1550)

[*Translation*]

Ms. Brigitte Sansoucy: I still had a question after your April 19 update. You talked about the proportion of projects that had gotten under way relative to approved projects, which varies widely from one program to another.

For example, under the Canada Mortgage and Housing Corporation's doubling investment in affordable housing program, less than 6% of approved projects have begun, which is very low. I'd really like to understand why. Earlier, you explained the delays, but the needs when it comes to affordable community housing are tremendous. The Federation of Canadian Municipalities told us that urgent action was needed on that front. I have the most questions about that program.

[*English*]

Hon. Amarjeet Sohi: Within our first-phase investments of $14.4 billion, 28,000 projects have been approved. Out of those 28,000, close to 20,000 projects are actually under way, which means that the work is being done. Thousands of housing units are being renovated.

As you can appreciate, the first phase of investment was focused on repairs and the rehabilitation of the existing infrastructure. The vast majority of the phase one funding has gone to fixing what we already have. That work is being done in affordable housing, shelter rehabilitation, transportation rehabilitation, and water and wastewater infrastructure rehabilitation. I'll ask my ADM to update you.

Ms. Yazmine Laroche (Associate Deputy Minister, Office of Infrastructure of Canada): Madam Chair, if I may, I'll just add a little bit of detail.

[*Translation*]

I'll provide a bit more detail on what was in the 2016 budget.

As for the Canada Mortgage and Housing Corporation, 15,000 projects have been approved, 10,000 of which have already begun. We can get you more information on that, if you'd like.

Ms. Brigitte Sansoucy: Thank you.

[*English*]

The Chair: Mr. Badawey.

Mr. Vance Badawey (Niagara Centre, Lib.): Minister, thank you for being here.

I will be concentrating my thoughts and questions on the returns on the investments that we are making, the outcomes, as well as the manner in which we can deliver results based on those investments.

You mentioned earlier that we have the highest economic growth in over 40 years, the lowest unemployment rate, and offsetting costs of local property taxpayers and waste-water rate fares through investments.

What I also see is a theme with respect to the economic, environmental, and social programs through our infrastructure programs, infrastructure strategy, that you have put forward. We have a trade corridor strategy, we have the affordable housing strategy, and the oceans protection plan We have lakes renewal, ports modernization, navigable waters, smart cities, superclusters, and the overall $180-billion infrastructure program that you announced two years ago. This offers equality, safety, security, environmental stewardship, and economic stability.

Mr. Minister, you also mentioned the sustainable funding envelope and the partnerships that you have created. I say "you" because, since 2005 the last Liberal government put in the gas tax as well as—correct me if I'm wrong, Madam Chair—the new deal for cities, and now you've expanded from that by including our partners, the provinces as well as the municipalities, through the strategic plans and their incorporation of community improvement plans.

Going back to my initial comments, in terms of returns and outcomes, what are your thoughts with all that being brought into perspective with all the different ministries working together to achieve those outcomes? What are your thoughts on overall outcomes that you're expecting, not only this year and next year, but 10 years down the road, as these investments are brought into place?

● (1555)

Hon. Amarjeet Sohi: As I said earlier on, the objective of our government is to make sure that we are helping grow the economy in a way that works for everyone, that more Canadians have access to middle-class, well-paying jobs, and that those Canadians who work hard each and every day to be part of the middle class are given the opportunity to be part of the middle class. Investment into affordable housing, for example, will allow Canadians to succeed to be part of the economy. That's the kind of outcome that we are looking for, one that builds people's capacity to take on opportunities.

Investing in trade corridors will make our economy more efficient by reducing gridlock and improving of the flow of goods and services in an efficient way. That's the kind of outcome we are looking for, such as access to public transportation so people have more sustainable choices to move around. That's the outcome.

The overall, broader plan is working really well, but also acknowledges that our country is very diverse, not just culturally, but also geographically. We need to be mindful of the needs of every community, not just big cities or mid-sized cities. We need to be paying attention to small communities and to rural and northern communities, so the creation of the $2-billion dedicated funding for those communities is going to help them prioritize what they need and help them meet their needs through federal dollars.

Mr. Vance Badawey: Thank you.

Mr. Minister, this committee in particular is very much working with infrastructure, communities, and transport. How critical do you think it is for us to look a little bit more outside the box when it comes to our domestic market, to include our partners' markets as well? What I mean by that is, when we begin to make bigger infrastructure investments, especially with respect to trade corridors, do you feel it's very important for us to integrate those investments with our American neighbours? We look at rail, we look at highways, we look at bridges, and we look at overall trade corridors. We look at the St. Lawrence, the Great Lakes, and infrastructure investments that would align with those strategies. How important do you feel it is for us to begin proactively integrating our infrastructure investments with our American partners?

Hon. Amarjeet Sohi: Infrastructure Canada is responsible for the delivery of the Gordie Howe International Bridge. As the committee understands, this is a very important crossing to grow the trade between the U.S. and Canada, and expand the capacity of the crossing, so we're working on that particular project. Whoever's going to build it will be selected by the end of June, and we foresee construction starting this fall.

Also, through trade and transportation, I talked about a number of projects that have been approved or are under review under that plan, and we will be moving forward on them.

Trade and transportation are very important as part of our efforts to grow the economy and create jobs.

● (1600)

The Chair: Mr. Hardie, you have six minutes.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): Thank you, Madam Chair.

Good afternoon, Mr. Minister.

I recall being in the room when Paul Martin started talking about transferring gas tax through the provinces to municipalities. Back then I was with Greater Vancouver's transportation authority, and boy, our eyes were gleaming because we knew we could make very good use of a constant and reliable source of funding.

The question with respect to this very large amount of infrastructure funding is to what extent it is reliable. To what extent can an individual municipality rely on seeing the project through with the plans it has in mind?

Hon. Amarjeet Sohi: The introduction of gas tax funding has been transformational, because it allowed municipalities to have sustainable, long-term funding. Municipalities appreciate that, and that's why it's very good to have that program continue and be indexed. We're building on that by having bilateral agreements that look at the four funding areas, and we have one agreement that streamlines the approval process.

That's $33 billion over the next decade invested in public transportation systems so every municipality that has public transit will know how much money they're going to get from the federal government over the next 10 years, and the same with the cultural, recreational infrastructure; $9.2 billion will be invested in green infrastructure to improve water quality, to make our infrastructure more resilient to the impacts of climate change, as well as to reduce greenhouse gas emissions.

So that predictability is very important for the municipal sector, and that's why this agreement gives them that certainty.

Mr. Ken Hardie: The government has been criticized for not having a plan for all that money that's going to be spent on infrastructure, but what you just indicated sounded like a plan to me.

Hon. Amarjeet Sohi: When we rolled out the infrastructure in budget 2016, we were very deliberate about doing it in two stages.

Stage one in budget 2016, $14.4 billion, which you are studying, focused on repairs, rehabilitation, and also allowed municipalities to undertake planning for large infrastructure projects such as Surrey's LRT, for example, or the Broadway subway line in Vancouver.

That allowed us to have very comprehensive discussions with our partners to understand how we design this infrastructure plan to be flexible, to be nimble, and to meet the needs of various communities. The last thing you want to have is a federal government selecting projects or telling local governments what their priorities should be. We should focus on the outcomes we want to achieve, but allow local communities to select the projects and advance their priorities. That's why we have taken our time to design the long-term plan, and now we are negotiating those agreements.

Mr. Ken Hardie: One of the first things we've heard is a criticism that the money is not flowing out the door. We have heard from witnesses who've told us that traditionally, the federal funding comes almost at the end of a project.

But we've also heard some musings about an adjustment to periodic payments from the federal government that could perhaps be more of a catalyst in getting these projects moving along.

Is that one of the things you've heard as well? Are there any other things you've learned in the process of rolling this out that you'd look at in the future as improvements to our plan?

Hon. Amarjeet Sohi: It is very important for all of us to understand, and to have our partners understand, that once the project is approved, the construction can start, procurement can start, or the ordering of buses or whatever the project is can proceed, without any delay. That approval is the first step in procurement.

You have identified a challenge, which is that we cannot pay out the federal share of other contributions until we get the invoices from our partners. Once municipalities or provinces send us the invoices, we pay our share within 30 days. They know it's working.

Can we approve upon it? We are having discussions with them to see if there are ways to improve it. The reality is that it has no negative consequences on the building of the infrastructure or the projects proceeding. Those projects are already proceeding based on our partners' timelines.

● (1605)

The Chair: Mr. Shipley.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you, Minister, for being here.

I am curious. I'm not on the committee, so I may have read this wrong, but how did you come up with 10,000 projects that were approved in 19 days?

Hon. Amarjeet Sohi: I don't know the specifics, but I can tell you that we get the intake from our partners. Once they give us the projects, we look at them, assess them, and we approve them. We have also made some changes in our phase one approval process. Instead of looking at specific projects on a project-by-project basis, we approve them in the agreement. Once we approve the agreement, large numbers of projects get approved, because these are small projects.

Mr. Bev Shipley: It seemed that it was a large number to all of a sudden come across your desk—somebody's desk—to approve in a very short period of time.

I have another other question. In your presentation, you said " In New Brunswick, federal investments through Natural Resources Canada [created] the province's first electric vehicle charging network" with 35 charging stations, in order to drive worry free and then reduce our carbon footprint.

I don't know what happens in New Brunswick; that's why I'm asking the question. What I see in Ontario is that they drive up and plug them in, no charge. The person who owns the electric car just pulls in and plugs it in, and they don't pay anything for it.

I'm wondering in terms of this project whether the federal government puts any type of condition on the funding. What happens in Ontario is that they plug in, so all the rest of us are subsidizing. Ontario has the highest rates in North America, and now they're plugging their cars in for free and we're subsidizing them again.

I was involved for a number of years in municipal government, and it's sort of an interesting subsidization. I don't know if this is a double carbon tax that they're approving, or that you see as the federal government, but there's something wrong with that.

Is there anything you should be considering when you're applying those grants to a municipality, in this case to a province, that they shouldn't be giving those projects for free in terms of people who use the hydro? What happens is that those people who are plugging their cars in are not paying any tax for the roads or bridges, or any of the infrastructure that they drive on. There's a huge subsidy, going beyond what the ratepayers pay.

Are there any thoughts of how that would work?

Hon. Amarjeet Sohi: When we design our programs, there are certain terms and conditions that attach to those programs, and our partners abide by those terms and conditions. As far as charging for the use of the infrastructure, that is not a decision that we make as the federal government. That is a decision made by the project proponents.

In the case of public transportation systems, for example—

Mr. Bev Shipley: But do you ask the question? Do you ask the question in the application as to whether this is going to be free for use by all the users or whether there would be some sort of compensation that comes back? Actually, it all goes back to my next question in terms of the gas tax.

Hon. Amarjeet Sohi: When we review, we review the terms and conditions, and we also review the project that is given to us. We look at the project proposal. That project proposal identifies how the project will be funded for the balance of what goes beyond what the federal government contributes.

● (1610)

Mr. Bev Shipley: I'm running out of time, apparently, but I have one other question on the gas tax that was brought in.

It's a great program, by the way, and—

Hon. Amarjeet Sohi: Yes.

Mr. Bev Shipley: —when we saw that, we made it permanent, doubled it, and indexed it.

My municipalities are all rural and small. They rely a lot on this. Because this is actually the way you give municipalities the right to make the decisions for their capital costs, I would encourage you to think about how you could make that a better and bigger program so that we don't pick winners and losers in terms of projects that municipalities get.

Hon. Amarjeet Sohi: Thank you.

When we look at supporting our municipal sector, we look at various options. One option is gas tax funding, which is working. We also look at funding based on partnerships, where provinces need to contribute. Through our bilateral agreements, we're asking provinces to contribute up to one third of the funding.

What happens in the case of the gas tax is that 100% of the funding comes from the federal government, but in the case of bilateral agreements, we provide support up to 40% and in some cases 50%, and then the provinces and the municipalities need to contribute. What happens is that you do leverage federal investments to build more infrastructure.

The Chair: Thank you very much.

Mr. Sikand.

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): Minister, thank you for being here once again. I'd like to reiterate my thanks from the last time. In Mississauga, your signing of the bilateral agreement and the announcement of $339 million will go very far in helping our public transit. I wanted to thank you again for that announcement.

In that vein, Minister, I was wondering if you could give us a general update on where things stand with the infrastructure program at this point. We're essentially halfway through the term when you think about budget cycles, as you recently said. How do you feel things are going given that we now have two budgets behind us?

Hon. Amarjeet Sohi: The need to invest in infrastructure arises from the lack of investments, as well as the growing infrastructure deficits that our communities have experienced. In having conversations with our partners, what they told us is, let's design this plan in partnership. Let's sit down and understand where we need to invest and how we need to invest, and then, through that collaboration, come up with a plan.

That's exactly what we have done. It's been two and a half years now and phase one is making a real difference in the lives of Canadians. In phase two, where there are long-term plans through bilateral agreements, trade and transportation, or the Canada Infrastructure Bank, we see an opportunity to undertake projects that will actually transform how people look at their communities. This significant amount of investment will allow them to think big and will give them that certainty. I'm very proud of where we are today, and I'm looking forward to the future and how we can continue to build on this strong foundation that we have laid.

Mr. Gagan Sikand: We're equally proud and also look forward to the future.

I am splitting my time with my colleague. Mr. Rogers is going to take over.

Mr. Churence Rogers: Welcome, Minister Sohi and staff. I'm happy to be here today and to get a chance to ask a couple of questions, or at least one question with a couple of parts to it.

I come from a very municipal background as well. I was the mayor of two different towns in Newfoundland and Labrador, very small rural towns, for a 16-year period. I served for four years as president of Municipalities Newfoundland and Labrador. I've travelled the entire province, including the northern portion. I also served for four years as a member of the Federation of Canadian Municipalities. I feel that I know this file very well.

I have a couple a questions here, though. I know that you're aware of the challenge of building infrastructure in the more rural, remote, and northern communities, with a lot of it due to the harsh environmental conditions and the lack of communications technology, such as Internet and self-service, in many of these small towns and areas. On that note, what are you and your department doing to ensure the timely completion of projects in remote, rural, and northern communities, and how are you combatting some of the challenges faced by building in these environments?

● (1615)

Hon. Amarjeet Sohi: One of the things we heard about from other rural, northern, and remote communities, and the small communities, was their tax base. They have a very limited municipal tax base in order to match the federal share. In the past, they received only 33% of the funding from the federal government. We now will contribute 60% of the funding to communities with a population of fewer than 5,000 people. The province will continue to contribute one third. What this does, then, is it relieves pressure on property taxes for those smaller communities.

There's another thing we have done with the creation of this dedicated $2-billion funding. Now they don't have to compete for funding against big cities or mid-sized cities. They can rely on this funding solely for their own community needs but can still apply for other funding through other funding streams that are available.

On the completion of projects, we let them determine what the construction timeline is going to be. Based on their ask, we have extended, in some cases, the timeline for construction completion. They needed that extra time and we gave them that extra time. We are very flexible in our approach to dealing with all the communities, but particularly smaller communities that may not have that kind of capacity to complete projects on time.

The Chair: Thank you very much.

Mr. Liepert.

Mr. Ron Liepert (Calgary Signal Hill, CPC): Thank you, Chair.

Minister, as you know, I represent a riding in Calgary. There's probably no major urban centre in the country that needed...the opportunity for people to get back to work than Calgary did. However, when I look around the city, I'm always troubled by the fact that I have difficulty identifying projects that are now under way, with shovels in the ground and boots getting dirty, as a result of the federal government infrastructure initiative. I know that there's been a commitment to transit down the road, but that's many years down the road.

Can you give me a few examples for my constituents of, to use your words, "making a real difference" in the lives of Calgarians—today?

Hon. Amarjeet Sohi: One of the reasons you may not see federal visibility on construction sites is that we made a decision not to post those large "economic action plan" signs you would see under the previous government. This is not about advertisement. This is about making an impact on communities.

We have funded a number of projects. One I can share with you is the design work for the green line. We are funding—

Mr. Ron Liepert: Yes, but how many jobs is that creating today in Calgary for a project that's not going to start for another half a dozen years?

Hon. Amarjeet Sohi: The project is being designed now.

Mr. Ron Liepert: How many jobs, roughly, would that—

Hon. Amarjeet Sohi: Without federal support, that project will not proceed ahead. We are investing close to $349 million in public transportation systems throughout the province.

Mr. Ron Liepert: Let's say I'm a hard hat who has been laid off in the energy industry. Can you give me some concrete examples of where those folks are actually working today—shovels in the ground, boots getting dirty—that I can take back to my constituents and say, "Here's your infrastructure federal tax dollars at work"?

Hon. Amarjeet Sohi: Yes. I can tell you that on top of the green line design work, utility relocations are happening in the southeast corridor of that plan, with 17 Avenue Southeast BRT, phase two, undertaken. As well, the Southwest Ring Road project is—

● (1620)

Mr. Ron Liepert: Well, come on, now. The Ring Road and many of these projects you're referencing were already allocated dollars by the previous government. The funding for the Ring Road today is not coming out of your infrastructure dollars. Those were dollars allocated prior to 2015.

Hon. Amarjeet Sohi: Yes: so that project's under way, creating jobs, and it's being funded by Canadian tax dollars. Whether your government approved it or some other government approved it, we are here to work as Canadians, and that's exactly what we are doing. We are investing in water and waste-water infrastructure throughout the province. The amount of $4 billion has been approved for the province of Alberta for more than 150 projects. The vast majority of those projects are currently under way throughout the province.

Next week I will be visiting one of those projects, in Lacombe—

Mr. Ron Liepert: Lacombe's not Calgary and you know that, Minister. Can you provide, can your officials provide this committee, or me in particular, with specific projects that are under way in Calgary right now, numbers of people who are actually working on-site at those projects—not projects that were approved and dollars allocated prior to 2015, but since 2016?

Hon. Amarjeet Sohi: We will provide you the information that is given to us by other partners, including the status of those projects.

Mr. Ron Liepert: Thank you.

The Chair: This will be provided by the clerk and then all the committee members will have it.

Madame Sansoucy.

[*Translation*]

Ms. Brigitte Sansoucy: Thank you, Madam Chair.

Minister, I'd like to share something with you and hear your view.

When I was a city councillor, I often used to wonder how it was possible that the pyramids and Roman roads still existed, when our own roads had to be redone every five or 10 years and our overpasses and bridges, like the Champlain Bridge, lasted 30, 40, or 50 years at most.

The lowest bidder with the ability to execute the plans and specifications of the contract does not necessarily guarantee sound and sustainable infrastructure. I'd like to know whether you would consider tying funding to a requirement that municipalities follow a protocol demonstrating the sustainability of infrastructure projects and their resilience to extreme weather conditions and climate change.

Essentially, the point is to spend smarter.

[*English*]

Hon. Amarjeet Sohi: One of the things we are doing by working in partnership with the Federation of Canadian Municipalities is providing resources to municipalities to do their asset management plans. First of all, this helps them understand what assets they own. In addition, it allows them to have a more disciplined approach, where they look at the life-cycle cost of the project, not just the construction cost. With that kind of discipline, they will start reforming their procurement processes. We're very hopeful that this kind of discipline will enable them to look at the entire life of the project, not just the construction component of the project. We don't dictate to them what procurement method they should follow and how they assess their projects, but I'll ask one of my staff members to elaborate on that.

[*Translation*]

Mr. Marc Fortin (Assistant Deputy Minister, Program Operations, Office of Infrastructure of Canada): Thank you, Minister.

Thank you for the question. The issue you raise is one that affects numerous municipalities. As the minister just said, we have a partnership with the Federation of Canadian Municipalities, precisely because this is an issue that comes up every year. Municipalities build new infrastructure, but the cost of maintaining that infrastructure over time has to be taken into account. That's what we are trying to address by working in partnership with municipalities.

Many smaller municipalities simply don't have access to the necessary expertise. Through this program, and by working with the Federation of Canadian Municipalities, we want to make that expertise available across municipalities and give them new tools to manage infrastructure projects effectively. Today's new infrastructure projects could become tomorrow's headaches, and so the department is endeavouring to address those concerns in partnership with a number of organizations, as well as municipalities.

I should perhaps add that, in order to properly understand long-term maintenance challenges, it's important to have access to results-based data. Phase two of the new infrastructure program will provide that access. Over the next 10 years, we are going to collect extensive information, and through the bilateral agreements, we have asked the provinces and territories for access to municipalities so that we can collect the data that will foster a longer-term view.

● (1625)

Ms. Brigitte Sansoucy: I think we're going to have plenty of fodder for the second hour.

[*English*]

The Chair: Thank you very much, Minister Sohi, for attending today. We appreciated the information. I understand your officials will be staying for the subsequent hour.

As to the departmental officials, let me introduce them officially while the minister slips out. We have Darlene Boileau, the assistant deputy minister; Glenn Campbell, assistant deputy minister, investment, partnerships and innovation; Marc Fortin, assistant deputy minister, program operations; Sean Keenan, director general, strategic and horizontal policy; and Yazmine Laroche, associate deputy minister.

Officially, then, welcome to all of you. Thank you for staying here for another hour for the questions from the members.

Mr. Chong.

Hon. Michael Chong: Thank you, Madam Chair.

I want to talk about the Gordie Howe bridge . Are you at all worried about the financial viability of this bridge? Our understanding is that the three bidders vying to build the bridge have expressed their concerns to the government about the fiscal viability of the bridge. In turn, the government ordered an internal review of the bridge and its cost. So, are you at all concerned about the financial viability of the Gordie Howe bridge?

Ms. Yazmine Laroche: I'm going to be a little bit cautious in my answer, and I'll explain why. The Windsor-Detroit Bridge Authority is actually in the middle of a procurement process. We all want to make sure that this process is successful and that we're not in any way being seen to intervene in what is a very independent process.

Hon. Michael Chong: Understood.

Ms. Yazmine Laroche: Please accept my comments in that light.

I am not worried. I think it has been a very diligent and robust process to date, supervised by a fairness monitor. I believe that the WDBA has worked very closely.... It was a two-step process. They went through an RFQ process first, out of which they selected three big consortia with vast experience among their members, and were in constant dialogue with them. My colleague will have more details. They had numerous commercially confidential discussions with them to help surface any challenges or issues that they might have as they were preparing their bids. As a result of that, I think that they were able to make some adjustments that responded to some of the issues that they raised. I'm crossing my fingers that we're going to have a successful announcement in the next short while.

Hon. Michael Chong: Thank you.

It sounds like it's still on track for the selection of the proponent in June. Is it true that the government is going to guarantee the toll revenue for whomever operates the Gordie Howe bridge?

Ms. Yazmine Laroche: It's being done as a public-private partnership.

Hon. Michael Chong: I understand.

Ms. Yazmine Laroche: The WDBA will select the successful bidder, who will then have the responsibility to design, build, operate, and maintain.

Hon. Michael Chong: Who gets the toll revenues? It's the proponent who builds and operates the bridge, is it not?

Ms. Yazmine Laroche: The government will be receiving the toll revenues.

Hon. Michael Chong: The government will be paying for this bridge out of the consolidated revenue fund, regardless of the stream of tolls that it collects off this bridge. Is that correct?

Ms. Yazmine Laroche: Yes.

Hon. Michael Chong: Okay.

Has an analysis been done within the government about the financial implications of the Transport minister granting a permit for a second bridge last August?

Ms. Yazmine Laroche: The Gordie Howe bridge project has been planned for a number of years. All of the studies that were done, in terms of getting this bridge built, were predicated on there being two bridge crossings. There were some very serious concerns—

● (1630)

Hon. Michael Chong: With respect, Madam, when the Gordie Howe bridge was originally proposed, there was one four-lane bridge crossing. The situation has changed. There is now a proposal for a new six-lane bridge. The original analysis could not have applied because the new bridge has 50% more capacity. My question is, quite simply, was there an analysis done by the government about the financial implications of giving Matty Moroun and his companies a permit to build the second six-lane bridge at the Windsor-Detroit bridge crossing?

Ms. Yazmine Laroche: We, at Infrastructure Canada, have not done that analysis, but we can follow up and see if Transport Canada has done so.

Hon. Michael Chong: That would be helpful. Thank you.

The government, Minister Garneau in particular, has said that there's a need for two six-lane bridges across the St. Clair River. To me, this doesn't make any sense. We currently have one four-lane bridge crossing the St. Clair River. We also have a tunnel that empties out in downtown Detroit. So, we have two crossings for truck and car traffic, and we're going to go to a situation where we have two six-lane bridges, trebling the capacity of that border crossing, from four lanes over water to 12 lanes over water. What confounds me about that is we're not only trebling capacity, we are also doing it at a time when cross-border traffic has plummeted over the last decade. It has not just plummeted at Windsor-Detroit, it has dropped at Ontario-New York State, Ontario-Minnesota, and Ontario-Michigan border crossings. This bridge is supposed to be paid for by tolls over a 30-year period, possibly up to 99 years, although I fail to see how. I think we're reaching the outside... lifespan of that construction. I don't understand how this doesn't end up being borne by Canadian taxpayers. I just don't see how the financials for something like this work.

Mr. Marc Fortin: I think your question is around the traffic and the forecast in terms of revenue. There are two ways of looking at the Gordie Howe bridge file. We're looking at the volume of traffic, but we have to look through the lens of this being a very crucial trade corridor for Canada and the United States itself. You can look at a year or two back in terms of fluctuation of traffic, but what we've done since the beginning of that file is look at decades of traffic. If we look at four decades of traffic for that corridor, we're talking about an increase of 3% in terms of the traffic. Yes, there are fluctuations—when 9/11 happened, when the economic crisis of 2008–09 happened—but these are fluctuations taking place. If you look at the trend, we are looking at a 3% increase that took place.

You've got the cars, but you also have to look at 2.5 million trucks a year going through that corridor, so we think it's very important to look at that.

The Chair: We'll go on to Mr. Badawey.

Mr. Vance Badawey: Thank you, Madam Chair, and I want to continue on the same theme Mr. Chong with respect to trade corridors. Currently we're, hopefully, close to an agreement with the United States with our NAFTA negotiations, and the expectation is that the deal will be a heck of a lot better than it was in the past, giving Canada a better position with respect to economy and therefore the need for more robust trade corridors.

Yes, we're looking at the new Gordie Howe bridge. We have the Peace Bridge at Buffalo, New York, which by the way, attached itself to new Continental 1 that makes its way down to Miami.

My question to you is this, and it was the same to Minister Sohi, the same theme I want to go on. It's with respect to integrating our infrastructure investments, the need for better communication when it comes to infrastructure that will support outcomes that attach to economy, attach to lifestyle, and attach to social and environmental issues. I'd like to hear some more comment on that, on how we can integrate our infrastructure investments when it comes to roads, water, with the binational Great Lakes St. Lawrence Seaway System, as well as air and railway.

Ms. Yazmine Laroche: I can't really opine on what will ultimately be a policy decision of the governments, but I can say that I think the Gordie Howe project is a really good example of how two levels of government, two different governments, come together to facilitate a project that is of such huge importance to us from a perspective of trade and economy and movement of goods and people. It's a great example. It took a really long time to make it happen. Is there an opportunity to do things better and to look at things differently? Probably, but I would say right now that the focus of our infrastructure programs is to deal with the huge infrastructure gap that has existed in our country for some time and to make sure that those investments are going to support those initiatives.

I will just turn to my colleague, Mr. Campbell, however, because there may be some opportunities through the new Canada Infrastructure Bank for looking at exactly some of the issues that you've raised around binational projects.

● (1635)

Mr. Glenn Campbell (Assistant Deputy Minister, Investment, Partnerships and Innovation, Office of Infrastructure of Canada): With respect to the Canada Infrastructure Bank, it's more than just about what the vehicle will do. It's really representing government's partnering with private sector players as well as planners in provinces and municipalities, which concurs with the longer funding framework that we're now providing various provinces and municipalities. They're now encouraged to think about what their priorities are for filling the infrastructure gap. Many of those correlate to ridership and flow of goods, be it rail, people, or air, as you've said, and they're looking at what their various assets are and the life cycle, with the prospect to add not just the Infrastructure Bank, but also other tools available. When they engage private sector discipline and investors, they are asking the tough questions of government about what the future is, where the flow is going to go, and where the best use is of marginal dollars.

It just so happens that on some big projects we know provinces and municipalities are already thinking about the Infrastructure Bank, but more than that, they're thinking about how better to increase longer-term planning to determine how to get goods east and west in Canada and also north and south.

Mr. Vance Badawey: In the report on page 17, it states with respect to changing global trade patterns and transportation needs that the current trade and transportation infrastructure is not sufficient to meet the needs of the future. A 2015 report by the International Transport Forum estimates that, by 2050, international freight volumes will quadruple, the north Pacific will overtake the north Atlantic as the world's most important trading route, and shifting trade patterns will increase average shipping distances by 12%. It goes on to talk about the congestion and bottlenecks.

What are some of the plans that you're identifying and therefore working on with other ministries, when it comes to transport, for example, or environment? What are some of the thoughts that you're giving to that to best prepare for that, over and above the construction of the Gordie Howe bridge?

Ms. Yazmine Laroche: I would start with the $2-billion trade and transportation corridors fund that Transport Canada is running. It just ran a very successful competitive process to identify exactly the kinds of projects that will solve the problems that were identified in the report. It received over 100 applicants. My understanding is, from my colleagues at Transport Canada, the submissions are in the process of being reviewed, so Transport Canada can start identifying the projects that will help achieve those outcomes.

Mr. Vance Badawey: With these investments being put in place, obviously, it will create a more efficient trade corridor system, both nationally and internationally. Do you find that foreign direct investment will be enhanced, because of these very investments?

Ms. Yazmine Laroche: I am not an economist, but anything that improves the flow of goods within a country to get it to market is good news for anybody who is going to be making those investments. In principle, yes, it would be a good thing.

Mr. Vance Badawey: Thank you.

The Chair: Madame Sansoucy.

[*Translation*]

Ms. Brigitte Sansoucy: I'm going to pick up on my earlier discussion with the minister.

In terms of ensuring sound and sustainable infrastructure, I want to say that, when I was on city council, we had a strong plan for managing our assets. As I see it, though, that isn't enough when it comes to the bid process, particularly for projects carried out in partnership with provincial transportation ministries.

I recently had the opportunity to talk to people from Engineers Canada, the national organization that represents the country's engineering regulators. I asked them the same question I asked the minister earlier about the longevity of the pyramids and Roman roads. In response, they told me about the protocol of the Public Infrastructure Engineering Vulnerability Committee. Basically, the underlying principle is that funding for infrastructure should depend on the merits of the project. Therefore, the approval of funding applications, the acceptance of environmental impact assessments, and the approval of infrastructure project studies should be tied to a tool like the engineering protocol.

What that means, in a nutshell, is that the design, operation, and maintenance of infrastructure projects must take into account the risks associated with extreme weather events and climate change. The protocol has already been used 48 times in Canada and three times abroad. It is available free of charge, which is great. Internationally, the protocol has been presented to the United Nations, the World Bank, and the World Engineering Convention, or WEC for short. Here, at home, it has been presented at conferences of the Canadian Water Resources Association, Canadian Water and Wastewater Association, Canadian Dam Association, Federation of Canadian Municipalities, Transportation Association of Canada, and the Canadian Public Works Association.

First, do you agree that tools are needed to make sure the public infrastructure being built will last for many decades?

Second, should sustainability and climate resilience criteria be applied to all federally funded infrastructure projects?

● (1640)

Ms. Yazmine Laroche: Those are terrific questions.

Canada's long-term infrastructure plan does, of course, include a strong focus on viable infrastructure that is sustainable and responsive to climate change challenges. That's one of the reasons why we developed a climate-focused perspective—to assess the effects and potential impact of investments as regards climate change and community resilience. It's a new layer of scrutiny that was discussed and negotiated with the provinces and territories. As a result, we will be able to measure the potential impact and viability of projects for investments of $10 million or more.

Mr. Fortin, did you have anything to add?

Mr. Marc Fortin: I will round out my colleague's answer, if I may, Madam Chair.

There is no doubt we are working very closely on this component. We are currently working with other departments and examining the engineering standards you referred to, especially as they relate to more remote regions such as the north. We want to make sure that both existing and new standards respond appropriately to climate change issues, so we are in the midst of updating those.

As far as engineering standards and work is concerned, Infrastructure Canada spends the bulk of its time working with various stakeholders to ensure all high-priority projects meet our program criteria and requirements. However, once the project is approved, an oversight committee is set up to ensure it is carried out in accordance with the requirements set out in the agreement. The committee is co-chaired by the territory or province and, in some cases, by municipal bodies such as public transit authorities.

Ms. Brigitte Sansoucy: When all is said and done, what really matters is making sure municipalities have the tools they need to require all bidders to adhere to those standards. That way, when they choose the lowest qualified bid, they can rest assured that the infrastructure will be sound and sustainable.

You mentioned data earlier. It is clear that municipalities are paying increasing attention to geomatics. In my municipality, we were able to produce layered maps. I had all the photographic data by layer for the infrastructure in my ward. That meant we were able to make decisions using those geomatics tools. They were also used in the agricultural sector, where geomatics plays a big role.

Earlier, though, when you were talking about the infrastructure plan, you mentioned the lack of specific data on the state and performance of existing infrastructure. I'd like to know what initiatives have been implemented under the investing in Canada plan to improve data collection regarding the state and performance of municipality infrastructure, because the data exist.

I ask because I would like to see federal, provincial, and municipal governments talking and sharing information. The data exist, so how can the information be made available to decision-makers at all levels?

● (1645)

[*English*]

The Chair: Madame Sansoucy, I'm sorry, but you're over your time.

Would it be possible for you to give her a short answer, and then possibly add it to the end of the meeting?

[*Translation*]

Ms. Brigitte Sansoucy: Could the witnesses get back to us with a written response?

Ms. Yazmine Laroche: I can answer quickly, but I can forward you any additional information you'd like.

[*English*]

Is that okay? I'll lead off, and I know Sean is keen to jump in.

[*Translation*]

We are currently partnering with Statistics Canada on a survey to collect information country-wide for a database on our public infrastructure assets. Statistics Canada is in the final stages of collecting that data, and we hope to have an update in the fall.

That is something I'm very proud of because I know just how much the information is needed. How can we measure results if we don't have a baseline?

[*English*]

The Chair: Mr. Hardie.

Mr. Ken Hardie: Thank you, Chair.

I believe Mr. Keenan has in his title "horizontal policy". That begs a question. What is horizontal policy?

Mr. Sean Keenan (Director General, Strategic and Horizontal Policy, Office of Infrastructure of Canada): One of the responsibilities that Minister Sohi talked about is the reporting on the investing in Canada plan. One of my groups is responsible for collecting the data. As the minister noted, there are 14 departments that are out delivering this plan. We're collecting the data that applies to all aspects of the plan.

We have a geospatial map that you can visit on our website that allows Canadians to find out some information about the infrastructure projects that are going on in their communities. That requires us to compile data on a monthly basis from our partner departments in order to populate that map to ensure, as we did on April 19, we're providing an update on the status of the spending that is going on. That requires a certain amount of horizontality within the government. Our department is the focal point.

Mr. Ken Hardie: In a review of the trade corridor in metro Vancouver, I've become a little concerned that the component pieces aren't speaking to each other very much, that ports are trying to expand and railways may not be able to keep up. The use of land is becoming a question there.

Along comes the federal government with a whole bunch of money to improve trade corridors. How can we be assured the investments we're making are actually going to be put to optimal use on a local and regional basis?

Ms. Yazmine Laroche: Madam Chair, if I may, this would be better answered by our colleagues in Transport Canada since that's their particular file. What I would say is that based on past experience of the previous gateways, borders, and corridors program, the whole point of the federal government coming in was, in fact, to try to create partnerships, to avoid that competitive approach you're describing. It was to actually bring people together. There were some very successful partnerships that grew out of that.

I'm sure our colleagues at Transport would be happy to provide more details on that, but my assumption is that their new program is designed to achieve those outcomes as well, bringing people together to solve the major problems in those major gateways.

● (1650)

Mr. Ken Hardie: That will certainly be a focus of a study this committee will also undertake, probably in the fall.

Another difficulty that I can see on the horizon, particularly with the delays in getting the bilaterals signed and getting the big new projects under way, is that obviously we have to wait for the partners to be ready to go. What can we do to avoid all of a sudden having a whole burst of really large projects happening at once, such that we end up spending a lot of money competing with ourselves for supplies, labour, etc.?

Ms. Yazmine Laroche: That's an excellent question.

I think the way the new program has been designed, these integrated bilateral agreements that are being signed with provinces and territories are based on long-term plans. By September we expect to have three-year plans from every provincial and territorial jurisdiction, which will actually map out what their projects are for the next three years. That starts to help you deal with some of that coordination and managing so that you're avoiding unintended outcomes like inflationary pressures because you have too many projects happening in the same place.

That's one big difference with the new plan, this focus on longer-term planning that actually helps everybody to look at their infrastructure investments over the longer term and plan them in a more measured way.

Mr. Ken Hardie: Is it possible that we would ask one municipality to hold off because another one not so far away was ready to go?

Ms. Yazmine Laroche: Obviously that would be a decision of each province or territory in terms of how they're pooling together their plans. That will certainly be the subject of discussion as those plans are being developed. How do we roll this out? Which go first? Which ones are most ready? Which ones can come a little bit later? That is our expectation of the plans that will be developed by the provinces and territories.

Mr. Ken Hardie: Those plans that we see from the provinces and territories would have to, obviously, include what's going on right at the municipal level. Again, will we have some sense of comfort that the municipalities, over and above an asset plan, also have land use plans, development plans, so that, say, a big investment in public transit will actually attract riders because it's built in the right place?

Ms. Yazmine Laroche: Again, the plans are intended to address how these projects are going to help achieve the outcomes that were agreed to by the federal government and the provinces and territories. Those outcomes do include indicators along those lines. How is this project going to help reduce GHG emissions? How is this project going to help move more people more efficiently through your communities? The projects that are being presented are really focused on the outcomes that they're going to achieve, so the expectation is that they will address exactly those questions.

I think my colleague has something to add.

Mr. Glenn Campbell: Just briefly—

The Chair: We have to move to Mr. Rogers.

Mr. Campbell, we'll see if Mr. Rogers can share some time.

Go ahead, Mr. Rogers. It's your six minutes.

Mr. Churence Rogers: I just have to ask this question. I was involved in municipalities, with the Federation of Canadian Municipalities and a provincial body. One of the gripes I always had with the Province of Newfoundland and Labrador was about the administration of the gas tax fund. I think gas tax is great for small municipalities. It's money they can use for really good, practical things.

The Province of Newfoundland and Labrador decided to withhold somewhere in the area of 25% of the funds, I think, and used that money to help build major waste disposal sites management. At this point—and I said this to them for a number of years—it's time for them to relinquish that money and let it go where it should go, directly to municipalities. As a mayor, if I needed to purchase a $10,000 pump for a lift station or a piece of equipment for a water facility, I would need to request, in writing, permission to spend that money. There we were, duly elected members of the municipal council, having to go with our hands out, like a child to a parent, asking, "Can we please spend that money to buy that pump?" For so long I argued with some of the politicians and provincial ministers about that. I think that the funding is great, but I detest the province having that kind of control over the funding.

Is that the norm across the country?

● (1655)

Ms. Yazmine Laroche: What I would say is that it varies across the country because of the relationship between provincial and municipal governments. In some provinces and territories, the amounts are set out. It's really clear what each municipality is going to get, and that's how the funds are flowed. In others—as you described in Newfoundland and Labrador—municipalities actually have to get authorization to invest their funds. It's not consistent, but I will add one thing. Your question is very well timed because 2018 is the year in which we are doing an assessment, an evaluation, of the gas tax program. This is exactly the kind of feedback that we need to get so that we can engage with our colleagues in the provinces and territories, so I thank you for raising it.

Mr. Marc Fortin: You ask if it's unique. No, there are other jurisdictions. I don't remember which one, but I know that for the year 2014-15 it prioritized strictly waste water because it was a priority in that province. Some provinces and territories do carve out something.

Mr. Churence Rogers: I have no problem with the priorities, and I support that. However, I think that carving out 25% of the dollars that actually go to the province, the total pot of money.... That's 25% of the fund that could be distributed to municipalities to let them make their own decisions about how they're going to spend it. That's my rant for the day.

The Chair: All right, that's your rant for the day.

You still have a couple of minutes on your side.

Mr. Sikand.

Mr. Gagan Sikand: In 2018, Infrastructure Canada published a document entitled "Investing in Canada: Canada's Long-Term Infrastructure Plan". What initiatives have been implemented under the "Investing in Canada" plan to improve data collection concerning the state and performance of existing infrastructure?

Ms. Yazmine Laroche: One that I think I mentioned earlier is Statistics Canada. We're doing a partnership program with Statistics Canada. One of the things that is behind this plan is this focus on evidence and data and the fact that we didn't really have access to very good comprehensive data about the state of public infrastructure across this country. The decision was made to invest in improving that capacity. One of the flagship initiatives of that is the partnership that we have with Statistics Canada. They're just in the final stages of pulling together the data. They went out right across the country to collect data on multiple classes of infrastructure so that we could at least establish a baseline. That baseline is then going to enable us to see what a difference our investments are making over time. We'll actually be able to answer the question "did we make it better?" We expect to have preliminary results out this fall. It's going to be incredibly helpful to us.

Also, the Canada Infrastructure Bank is going to have an important responsibility in terms of data collection.

Glenn, I don't know if there is something that you'd like to add about that.

Mr. Glenn Campbell: As a supplement to what Infrastructure Canada is doing horizontally with our partners, including StatsCan, the Canada Infrastructure Bank will use its arm's-length, independent nature and its collaboration with our partners to collect, manage, and disseminate data, particularly relating to those asset classes that may have a revenue or a private component. They're adding value. There's going to be a lot of coordination among the various players to ensure that we're collecting the right data and distributing it in the right way, and to look at whether it underpins the StatsCan data, what our department is doing, and what exists among our various partners. There is certainly a lot of effort and, I must admit, a lot of collaboration from our provinces, territories, and municipalities to really work with us on improving the dataset in order to improve decision-making around infrastructure in Canada.

The Chair: Thank you very much.

Mr. Chong.

Hon. Michael Chong: Thank you, Madam Chair.

I want to continue with the subject of federal bridges.

What's the government's logic in putting a toll on the new Gordie Howe bridge at the Windsor-Detroit crossing and not putting a toll on the new Champlain Bridge in Montreal?

Ms. Yazmine Laroche: Mr. Chong, I don't think I can answer that question. That's a policy decision of government. Governments will make decisions on how they want to manage major projects, and that was a decision taken by the government. Our job is to implement it to the best of our ability.

● (1700)

Hon. Michael Chong: It was a decision taken by the cabinet.

Ms. Yazmine Laroche: By the government—

Hon. Michael Chong: You're part of the government as well.

Ms. Yazmine Laroche: Thank you for that.

Hon. Michael Chong: I'm asking because we live in a big country, as was pointed out earlier, diverse in ethnocultural communities but also diverse in region. We now have a situation where there's a sense of unfairness about federal bridge policy with respect to tolling.

We have what could be up to a $4-billion or $5-billion new federal bridge going in at Windsor–Detroit that's going to be tolled for 30 or more years. We have a $4-billion plus bridge that's nearing completion in Montreal, where no toll's going to be levied.

It seems unfair, particularly in light of the fact that Prince Edward Islanders have to pay a toll of $46.50 to cross the Confederation Bridge. It feeds into the sense that things aren't fair, and it feeds into the sense of regional grievance.

I've heard arguments from ministers saying the Champlain Bridge is not going to be tolled because it's not a new bridge. Well, arguably the Confederation Bridge across the Northumberland Strait isn't a new bridge either, in the sense that Prince Edward Island entered Confederation on certain terms and conditions, one of which was for the government of the day to maintain a continuous link between the island and the mainland. Back then the technology didn't exist to have a permanent fixed link bridge so there was a permanent, year-round ferry service. That ferry service has been reduced because the fixed link now exists. Arguably it's not a new thing but a replacement for an older technology.

It just seems unfair. Some other people have said to me, "Well, you know the Champlain Bridge is a commuter bridge from the South Shore to the island of Montreal." Arguably so are the bridges that cross at Windsor–Detroit, Sarnia–Port Huron, and the twin cities of Sault Ste. Marie, Ontario, and Sault Ste. Marie in the United States. They are also commuter bridges. Lots of people live in Windsor and work in Detroit, particularly in the field of health care. The same is true of other crossings.

It just seems unfair that there's no toll on one $4-billion bridge nearing completion this year, but there will be one on a $4-billion bridge that will be completed in about five years.

I guess I'm making a comment rather than posing a question, but it's a comment I wanted to make.

Thank you, Madam Chair.

The Chair: On to Mr. Iacono.

[*Translation*]

Mr. Angelo Iacono: Thank you, Madam Chair.

Before the committee turned its attention to the update on infrastructure projects and the investing in Canada plan, it was studying automated and connected vehicles. One of the biggest things that emerged from our discussions was the federal government's slowness in responding to this revolution in transportation and adapting existing infrastructure.

All that to say how important it is to develop smart infrastructure and, by extension, smart cities. Can you explain how the smart cities challenge helps lay the groundwork for this emerging reality?

Ms. Yazmine Laroche: Thank you for the question.

We launched the smart cities challenge a few months ago and are extremely happy to have received as many applications as we did by the April 24 deadline. I think we got more than 100. The purpose of the smart cities challenge is to identify the major challenges facing communities and the ways in which technology can help them overcome those challenges.

Every community decides on the challenge it wants to address. It is up to the community to tell us how it will leverage technology to overcome the challenge. It could be a smart system, the use of self-driving vehicles, a better social assistance regime, a solution related to climate change, or a tool that improves the quality of life of people with disabilities. The idea is to find new ways to improve cities and communities through technology.

● (1705)

Mr. Angelo Iacono: Do you think the challenge will lead to more connected infrastructure that is both adaptable and adapted to change?

Ms. Yazmine Laroche: I think it's a strong possibility, but it will depend on the applications we receive. I haven't seen them yet.

Mr. Angelo Iacono: Thank you.

Mr. Hardie can have the rest of my time.

[*English*]

Mr. Ken Hardie: I have a quick comment on tolls for my honourable friend across the way. Tolls are more than just raising revenue. I know from personal experience that they are also a demand management tool; you can have a variable toll that can incent travel at one time of the day and not others. That's a good strategy, particularly where you've got cross-border....

We have three buckets: the transportation bucket, the green bucket, and the social infrastructure. What's the take-up been like on the green infrastructure funding envelope, particularly communities that have recognized they have challenges around climate change?

Ms. Yazmine Laroche: Are you talking about budget 2016 or budget 2017?

Mr. Ken Hardie: All of them, because as I say, the rather large amount of money that we're talking about is allocated fundamentally across those three sections.

I was wondering if communities are starting to recognize the impacts of climate change and will be applying for money to do something about it.

Ms. Yazmine Laroche: We had two buckets under budget 2016. The focus of one was clean water and waste water, and the other was public transit. We had huge take-up on both of those, and we're at about 95% in allocating all those funds across the country. It shows there's absolutely a desire when it comes to improving outcomes.

Mr. Ken Hardie: You would expect that, yes, of course, but on climate change, the resiliency for flooding, fires, etc., is that recognized as an issue across the country? Are people lining up for that kind of funding?

Ms. Yazmine Laroche: There's a lot of demand for that kind of funding, and one of the programs we'll be launching, we hope relatively shortly, is the disaster mitigation and adaptation fund that is exactly designed to get at that question. How do you help communities cope with some of the major issues around flooding, around natural disasters, and how do you help to build more resilient communities? That is the intention of that project and that program, and there has been an awful lot of interest on the part of communities and provinces and territories.

Mr. Glenn Campbell: Can I draw your attention to one more key initiative that was announced that's drawing a lot of attention, and that is the Toronto port lands initiative. That is a climate change initiative to move a river and allow for more community development; you're dealing with climate change, you're dealing with remediation. That was an announced project among Canada, Ontario, and the municipality. I know other provinces are looking at the lead in Ontario of what they can do through that green envelope.

The Chair: Thank you very much, Mr. Hardie.

Madame Sansoucy, do you have any other questions?

[*Translation*]

Ms. Brigitte Sansoucy: Yes, of course, I still have questions.

In Saint-Hyacinthe, we are very proud to have been at the forefront of biomethane production. Biodigesters now process all of the organic waste generated by the city's agrifood companies.

What support does the green infrastructure program provide to encourage the spread of renewable energy in Canada?

● (1710)

Ms. Yazmine Laroche: That's one of the goals. Not only are we trying to support resilience, but we are also trying to move towards greener infrastructure.

I think my colleague Mr. Fortin can speak to that in greater detail.

Mr. Marc Fortin: Yes, of course.

You gave some good examples. We worked with the province of Quebec, among others, on three or four biomethanization projects.

There's a plant in Laval and another on Montreal's south shore, I believe. That's the type of project green funding helps support.

Forgive me, but I have to come back to the process. The provinces and territories, in co-operation with municipalities, decide to prioritize these projects when they submit an application to Infrastructure Canada. The green funding criteria we put in place certainly support these kinds of projects if the provinces and territories have made them a priority.

Ms. Brigitte Sansoucy: I know full well that the provinces set their own priorities as regards these projects, but earlier you talked about support for asset management planning. You could also show leadership by encouraging municipalities to think differently about renewable energy. We need to help municipalities think differently. Having worked at the municipal level, I can tell you that change doesn't come easy.

Mr. Marc Fortin: Absolutely. All of these projects are eligible.

Ms. Brigitte Sansoucy: Very well.

The minister told the committee earlier that, for communities with a population of less than 5,000 people, the federal government would contribute 60% of the funding and the province would kick in a third of the funding. I represent 22 municipalities with populations of less than 5,000 people. When I talk to communities about the measure, they have no idea what I'm talking about.

What are you going to do to make sure municipalities are aware of the new measures?

Ms. Yazmine Laroche: That's part of our bilateral agreement discussions with the provinces and territories. Usually, once the agreements have been signed, we post all of the details on our website. I encourage everyone to check our website.

Ms. Brigitte Sansoucy: I don't think you are....

I'm already out of time?

[*English*]

The Chair: We could have given you the whole show today, and you would have had your questions answered. We have to take a few minutes to do committee business.

I want to thank our representatives and department heads. Thank you very much for supplying the committee with some very valuable information.

I will suspend for a moment before we go in camera. Thank you.

[*Proceedings continue in camera*]

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